

JUL 14 2014
2/18/14
SB 324

MONTANA DEPARTMENT OF JUSTICE
Legal Language from Consumer Settlements re. SB 324

Caremark (\$65,000)— Caremark had allegedly persuaded doctors to switch patients to different brands of drugs by telling them that switching drugs would save their patients money, when in fact, the new drugs may have been more costly. The alleged real reason Caremark wanted them to switch was because the company was getting secret rebates from the drug manufacturers.

“States that receive a Monetary Portion shall make a cy pres distribution of these funds, pursuant to a state-specific Cy Pres Distribution Plan, to a political subdivision(s) thereof or to a state agency or program, a non-profit corporation(s) and/or a charitable organization(s), at the sole discretion of the Attorney General of each respective State, with the express condition that the funds be used to benefit low income, disabled, or elderly consumers of prescription medications, to promote lower drug costs for residents of that State, to educate consumers concerning the cost differences among medications, or to fund other programs reasonably targeted to benefit a substantial number of persons affected by the Covered Conduct that is the subject of this Consent Decree.”

Airborne (\$150,000) – Airborne engaged in misleading advertising regarding their product’s efficacy and made impermissible claims about its ability to treat diseases like the common cold and flu.

“Said payment shall be used by the States as and for attorneys’ fees and other costs of investigation and litigation, consumer reimbursement, or to be placed in, or applied to, the consumer protection enforcement fund, including future consumer protection enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, and may be used to fund or assist in funding programs directed at combating over-the-counter or prescription drug abuse, addiction and/or diversion, including, but not limited to, education, outreach, prevention or monitoring programs, or for other uses permitted by state law, at the sole discretion of each Attorney General....”

Mattel (\$197,000) – Excessive lead paint was discovered in many of Mattel’s popular children’s toys manufactured overseas.

“The payment shall be made . . . for reasonable attorneys’ fees, investigation costs, expert witness fees, and other expenses related to the investigation and resolution of this matter; for their consumer education, consumer reimbursement, unfair competition, litigation or local consumer aid funds; for public protection or consumer protection purposes; and/or for use to educate the public about issues related to toy safety, as allowed by each Participating State’s law at the sole discretion of each Participating State’s Attorney General.”

Pfizer - Geodon (\$454,000) - Pfizer promoted atypical antipsychotic drug for off-label purposes, specifically for pediatric use and for dosages above approved amounts.

"Said payment shall be used by the States as and for attorneys' fees and other costs of investigation and litigation, or to be placed in, or applied to, the consumer protection enforcement fund, including future consumer protection enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto. Remaining funds shall be used to fund or assist in funding programs directed at mental illness treatment, including but not limited to education and outreach or for other uses permitted by state law, at the sole discretion of each Signatory Attorney General."

TJ Maxx (\$56,000)- Nationwide data breach compromised thousands of consumers' credit card and other personal information, which was stolen by hackers.

"Said payment shall be used by the Attorneys General to fund or assist in funding, consumer education, outreach, prevention or monitoring programs, consumer protection enforcement, litigation, local consumer aid funds, consumer protection enforcement funds and public protection funds including without limitation, developing, implementing or enforcing data security protection programs and protecting consumers' personally identifiable information, or for other uses permitted by state law, at the sole discretion of each Attorney General."